Annual Report 2014
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Welcome!

At the AMICE Congress 2014 in the wonderful city of Nice, AMICE presented the European Mutual Insurance Manifesto 2014, developed for and addressed to the new European Parliament and the incoming European Commission.

The Manifesto explains in six simple catch phrases why the mutual and cooperative insurance model is good for Europe. It calls upon the new members of the European institutions to take actions securing a prosperous future for our sector: political actions, institutional actions and actions to influence other instances at the national and international level.

Six factors that show why mutual and cooperative insurers are good for Europe:

- A different business purpose
- Customer trust and accountability
- Society and community
- Competition
- Corporate plurality and diversity
- Economic resilience and sustainability
Dear friends,

In my role as President of AMICE and in many other functions at other national and international organisations as well as in my company, I notice every day what occupies insurance companies, in particular mutuals and cooperatives, and their managers in their work. Among the questions most often heard are:

- how to serve members in a way that remains true to the fundamental principles of mutuality;
- how to find the right balance in their companies between the interests of their stakeholders – customer-members, staff and society;
- how not to get lost or, worse, be driven out of business by the never-ending flow of regulation;
- where to find examples worth following and co-operations worth pursuing;
- how to secure and strengthen the standing and the reputation of the sector in their markets.

AMICE, your association, is there to help you find responses to questions of this kind. With the implementation steps made in 2014 of the Strategy 2013-2018 with its three core objectives of Promotion, Advocacy and Assistance, we have increased and improved the offer to our members. The memorable Congress in Nice and the production of the EMIM were for me just the most visible among an array of initiatives and achievements last year.

In our advocacy efforts interest representation has to include a sizeable part of “anticipative” and creative policy shaping. The commitment by the new European Commission to regulate better, i.e. hopefully less, and with more foresight, and the increasingly global nature of things, call for this. It is necessary to influence as early as possible the thoughts of those who will eventually shape our and our society’s future.

In the AMICE Board, we have begun discussing how AMICE could successfully embark on this voyage. We believe that an increased and more structural cooperation with ICMIF could help AMICE and its European members to move in this direction. Discussions will accompany us during the next twelve months; they will involve all members and the secretariat team. It will be necessary to find a new and promising balance for our successful association.

I thank all of you for your continuing engagement and I look forward into a good and mutually beneficial future.

Hilde Vernaillen, AMICE President
Introduction by the Secretary General

Dear members,

That we live more and more in a communication society can easily be seen when observing our fellow human beings who are telephoning, texting, facebooking, tweeting without cease around us. Just look at the information overload we receive daily in our mailboxes and through the media. And we can as easily agree that in a world where information is abundant, the quality of content gains paramount importance.

Two of the major and most memorable achievements of AMICE in the past year were in the area of high-quality communication and outreach: the Congress in Nice and the European Mutual Insurance Manifesto presented on this occasion – both feature prominently in this Annual Report.

But, as I said, quality is more important than quantity. Here the true strength of AMICE comes into play: the interplay between the Board, our French hosts, the members represented in the working groups involved, and the secretariat staff again made the Congress the high-class event that members expect and appreciate. And similarly, it was a joint effort to create the EMIM, together with assistance from an external consultant. It is now up to us to bring this work to fruition by using the manifesto as the key tool for our influencing and promoting activities.

Quality content is even more important in the constant Advocacy work of AMICE. The expertise of the specialists at members and at the secretariat allowed our association to maintain and expand its standing as a professional, respected and acknowledged contributor to the regulatory discussions at the European level. As a result, many pieces of sector regulation finalised last year again bear the hallmarks of our advocacy – the advocacy for proportionate and appropriate regulation that respects the role and the characteristics of our sector, the specificities of mutuals and cooperatives and the particular needs of small and medium-sized undertakings.

The exchange of quality information and expertise among members is also a key element of our work in Assistance. Among the five new members AMICE has welcomed since last year’s General Meeting, four are of small size. For them, like for all other SME members, belonging to the AMICE family and having the possibility to learn from each other is an asset and I invite all members to make good use of all offers that the association provides in the form of working group meetings, events and information material.

As every year, I would like to thank all Board members, the Chairs of our three Commissions and of the working groups and all who support the association’s activities. And my sincere thanks go of course also to the dedicated staff at the secretariat who again worked to the limits of their capacity to create that mutual benefit that is the motto of AMICE.

Gregor Pozniak, AMICE Secretary General
The European Mutual Insurance Manifesto 2014 (EMIM)

At the European institutions, 2014 was marked by the end of the 7th legislative period of the European Parliament and by the end of the Barroso II Commission.

With the purpose of welcoming the new MEPs and preparing the basis for discussions with them and with the new Commissioners and their staff, AMICE decided to publish a manifesto expressing the sector’s prime preoccupations and speaking up for appropriate and fair business conditions for mutual and cooperative insurers.

The EMIM was designed as a tool for AMICE’s political influencing and lobbying work over the lifetime of this Parliament. It avoids therefore referring in detail to the current legislative projects, but describes the sector, and its importance for the security and well-being of European citizens in a more timeless manner.

Its core part is formed by proposals for political action by the European Parliament and the Commission enabling the institutions to maximise the contribution of mutual and cooperative insurers to Europe’s economy and society (see next page).

To benefit from outside experience and to maximise the potential impact of the document, AMICE secured the support of Mutuo, the UK-based think tank and consultancy with a longstanding experience in political work on behalf of the mutual sector. On the AMICE side, the working groups for communication and promoting were involved in securing the consistency and the pertinence of the message.

The EMIM is being used in a multiple way: for communicating our messages and promoting our sector; for influencing and lobbying on behalf of our members; and by our members in their national environments – it thus combines in a particular way AMICE’s three main missions: Promotion, Advocacy and Assistance.

“Mutuals and cooperatives do not need, and are not asking for, favours from the European Commission. But they need to be understood and to work in a fair regulatory and business environment.”

“We believe that it is in the European interest that the Commission and the Parliament understand the mutual and cooperative insurance sector better, value the member-oriented services that it brings to citizens and support the diversity that mutuals and cooperatives bring to the markets in which they operate,”

AMICE President Hilde Vernaillen at the presentation of the EMIM at the AMICE Congress in Nice

The EMIM is available in hard copy or in electronic format from the AMICE Secretariat. Originally in English, Finnish, French and Polish versions are available and a Dutch one is in preparation.
Mutual and cooperative insurers do not need, and are not asking for favours from the European Commission and European Parliament. They simply wish to benefit from the freedom to do business on a level playing field that is the cornerstone of the European Union. Too often, regulators and legislators do not appreciate the distinct legal characteristics of mutuals and cooperatives and so legal and regulatory decisions are made without appropriate or sufficient regard to the mutual or cooperative business model.

United in Diversity
The European Mutual Insurance Manifesto 2014

AMICE’s Action Plan

Policy actions
The European Commission and Parliament must be guided by a clear purpose that is mindful of the mutual and cooperative sector, when making rules and regulations. This section proposes principles that should guide the actions of the Commission and Parliament in dealing with mutuals; and the policy objectives that they should endorse.

Institutional actions
The mutual and cooperative difference must be understood and reflected in the actions of the European Commission when it proposes and Parliament and Council when they discuss and pass laws, seek to regulate activities, or set policy objectives. This section outlines the institutional changes that the Commission and the Parliament can make to ensure the implementation of the above policy objectives and principles.

Actions to influence others
The way that mutuals do business can be affected by governments, legislators and by regulators, both at the national and the international (European) level. This section suggests what the Commission and Parliament can do to influence the actions of other relevant institutions and national governments.
Commission I on Promotion

The mutual and cooperative insurance model and its advantages are still not widely known among policymakers and the general public in Europe. In AMICE's strategy 2013-2018, promoting the mutual and cooperative model was defined as the association's first strategic goal. It is vital for the sector to gain better recognition and full appreciation of the advantages of our business model from the European institutions, media, the general public and academia. In addition, effective communication with members is essential for a member-driven association like AMICE.

The main focus of the three working groups of this Commission is consequently to raise awareness about the sector among all external stakeholders as well as among members.

Key achievements

- Programming and promotion of the AMICE Congress in Nice in June 2014
- Publication and distribution of the European Mutual Insurance Manifesto
- Creation of support material for advocacy and promotion
- Joint publication with ICMIF of European market statistics 2012
- Creation of the video “What is mutuality?”
- Survey on social media use by mutual and cooperative insurers
- Launch of the bi-monthly briefing
- Preparation of a 5-year work programme of publications that will enable the promotion of the mutual model
- Re-establishing the regular meetings and exchange with national mutuals’ associations
- Support of promotional activities of all kinds, targeted at internal and external stakeholders, such as universities, national associations, existing and potential members etc.

Communications

Within the context of the new AMICE strategy, the Communications working group, chaired by Julien Hayen, is responsible for developing and implementing the communications strategy which addresses members and external stakeholders. The current Communications Strategy covering 2014-2016 is being reviewed in 2015 to ensure that communication activities continue to effectively support the three strategic missions. A communications plan implements the strategy, describing messages and tools used to reach internal and external stakeholders.

The Communications working group is traditionally involved in the programming and, of course, in the promotion of the Congress (see pp. 14-15). The group was also involved in the designing phase of the concept for the European Mutual Insurance Manifesto. It oversaw the launch of the EMIM and continues to monitor its dissemination and use (see pp. 4-5).

AMICE videos

With the highly appreciated support from the communications department of Reale Mutua on editing and by DNA for the original music, AMICE produced a short video as a motivational boost for the Congress. The movie features a sequence of people of very different backgrounds answering in their own language, in one word, the question: What is mutuality? The production of this video also triggered the creation of an AMICE YouTube channel which is being filled as AMICE-related video material becomes available.
Communicating effectively

With the aim of getting a better picture of how our members see their communication develop, we carried out a survey among members on the use of social media. More than three quarters of the respondents stated that they were using social media – with no correlation between size and use – but at the same time 60% find it difficult to see the value of social media for business purposes. Still, these communication channels are not seen as a rapidly fading trend. AMICE, too, has recently become active on Twitter.

After the summer, AMICE launched a new fortnightly e-mail briefing, exclusively targeted at members, to inform them about activities and results achieved.

Promoting Mutual and Cooperative Values

The new Promoting Mutual and Cooperative Values working group was created with the principal mission of shaping the value message of mutual and cooperative insurance undertakings in Europe. Led by its first Chair, Christian Herrig, the group analyses the mutual and cooperative brand, its values and other aspects of common interest, such as the principles of solidarity, sustainability, democratic governance, and customer-membership, in order to establish the key elements of this message. Close cooperation with the Communications working group ensures that the messages are then delivered in an effective way.

Immediately after its creation, the group became involved in the EMIM project and had a key role in converting the data on the sector and the inspiring comments from membership into a well-framed advocating tool. A work plan for the next five years foresees one major publication per year.

Associations’ Meetings

National associations of mutuals, where they exist, are commonly most aware of the overall challenges and opportunities of the sector in their country. They therefore provide the natural link between AMICE and national developments and stakeholders. It is therefore very valuable for AMICE to bring them together and facilitate the exchange of information, concerns and experiences.

Six such associations are AMICE members and, together with some additional ones, they form the Associations’ Meetings group. In its meetings twice a year, the group exchanges about developments and activities in their associations and their national markets and shares the concerns and requests of their members in the context of regulation.

In their mid-2014 meeting, participants also received updates from the AMICE secretariat about the new strategy, the EMIM, and the ICMIF-AMICE Market InSight Europe brochure.
Commission II on Advocacy

“Represent(ing) the interests of its members vis-à-vis the European Union and other authorities and international organisations” is not only a statutory purpose of AMICE, but is at the core of its work. This representation activity has many facets and requires being alert at all stages of the political opinion forming process.

Work in the Advocacy Commission in 2014 focused on all these facets, to a varying extent however. Solvency II efforts were still dominated by technical lobbying during the process of drafting and finalising legal and regulatory material – with remarkable success both in text improvements and in confirming AMICE’s standing as an expert discussion partner. In Regulatory Affairs, the focus lay more on observing developments in Brussels and communicating and interpreting them to membership, not without taking back their comments and concerns.

Interest representation starts even earlier however, with influencing the conceptual ideas of policymakers before they actually write their policies. The reinvigorated Regulatory Affairs working group is developing a ‘heatmap’ of issues which should be in the focus of our work – some of these issues probably still being far on the horizon. In the early phases of the legislative term and with a Commission committed to better, lighter and lesser regulation, this long-distance radar element is rapidly gaining importance in our work.

Solvency II

After the political agreement on the Omnibus II Directive, AMICE published a position paper with key comments on the results of the trilogue and important messages to EIOPA regarding their Preparatory Guidelines. The three essential points that we made accompanied the association’s work throughout the year: the serious concern that any further delay in the already very tight and challenging time line towards 1 January 2016 would make good preparation more and more impossible; the need for improvement of EIOPA’s Preparatory Guidelines with regard to proportionality in reporting and governance; and the warning against gold-plating and uneven implementation in Member States.

A year later, AMICE members have to note with regret that our warnings were indeed well-founded: several Member States have failed to transpose Solvency II into national law by 31 March 2015, and these delays in some markets, together with very diverse approaches by national authorities towards pre-authorisation (e.g. of internal models), lead to great differences in business conditions for insurers in different European countries.

In other areas, the association’s contribution to discussions around Solvency II resulted in tangible success. Tireless, but constructive lobbying, often in cooperation with other representatives of the industry, brought remarkable results in the area of proportionality. Examples include the possibility to combine the internal audit function with others of the key functions and the permission to value assets and liabilities according to national GAAP – both under relatively strict conditions, though – as well as exemptions from quarterly reporting for smaller undertakings. Strong lobbying towards the ECB secured that the ECB reporting rules now widely respect these exemptions where Member States chose to introduce them at national level.

After the publication of the final draft of the Delegated Acts (Level 2), AMICE produced a set of five areas of greatest concern which were discussed with EIOPA in an in-depth meeting in Frankfurt. Proportionality again figured prominently; other areas included contract boundaries, more flexible group rules to cater for typical mutual horizontal groups, and outsourcing requirements.

The end of the year was dominated by the work on the second wave of EIOPA’s draft Technical Standards, a batch of some 20 consultation papers. Through the intense activity of the working group with its Chair Alina vom Bruck and secretariat staff, AMICE submitted no less than 13 responses.
Accounting, Finance, Pensions

Given the overall reserved feedback from membership on developments in these areas – despite occasional individual expressions of interest –, the association was recently less engaged in these topics. As the work at EFRAG on IFRS 9 (financial instruments) and 4 (insurance contracts) continues, AMICE has renewed its observer status in the EFRAG Insurance Accounting Working Group. Likewise, AMICE continues to have a seat in the EU Pensions Forum.

In France and in the United Kingdom, important legal frameworks for the financing of mutuals were created in 2014: provisions in the French Law on the Social and Solidary Economy introduced a new type of “mutual certificate”, and the “Mutuals’ Deferred Shares Act” passed the British Parliament in early 2015.

Regulatory Affairs

Consumer protection issues were at the heart of the legal debate on insurance regulation outside the economic and financial area. This was also emphasised by EIOPA Chair Gabriel Bernardino in his speech at the Nice Congress. The main legislative projects at European level included MiFID 2 with its provisions on the distribution of insurance-based investment products (“IMD 1.5”), the development of the further regulatory framework for PRIIPs – completed at Regulation level in 2014 and now in the middle of Level 2 work – and the Insurance Mediation (or Distribution) Directive IMD 2.

Active advocacy on these issues to the institutions suffered from a lack of resources at the secretariat, but the members of the Regulatory Affairs working group were regularly informed about developments through e-mails from the secretariat. After the summer, the working group resumed its work with a first meeting; it will meet three to four times per year, chaired by Susanne Sjödin-Svensson.

Members decided that the association should not send a response to the Commission’s consultation on the prolongation of the IBER (Insurance Block Exemption Regulation), but three member associations did. On the other hand, AMICE used a consultation of cross-border mergers to reiterate its demand that the Commission’s policy on the development of European corporate law should not exclusively focus on joint-stock companies, but should include mutuals in the beneficiaries of this part of Single Market development.

Work on the governance of insurers was on the one hand directed towards Solvency II where Level 2 texts (Delegated Acts) as well as Technical Standards and Guidelines were consulted and developed. The Regulatory Affairs working group fed into the consultation processes coordinated by the Solvency II working group. AMICE also continued to contribute to the work of the Governance Working Group of the IAIS; as one of the results of our work, an example of a mutual group from among AMICE membership was included in the IAIS Issues paper on group governance.

European Mutual Statute

After Commission services had concluded at the turn of 2013/2014 that a recast of the Statute for the European Cooperative Society (ECS) – extending the application of some ECS rules to European Mutual Societies (EMS) and adding specific provisions for EMS where necessary – would be the favoured option, Commissioner Tajani in January promised legislative action. Indeed, a draft text was written by Commission services with AMICE and other stakeholders constantly providing input and was sent into inter-services consultation at the Commission in spring. Unfortunately, the process then came to a standstill again, despite positive reactions from some Directorates General, and could not be revived before the end of term of the Barroso II Commission.

In several letters to outgoing and incoming Commissioners, AMICE requested repeatedly that the crucial project be carried on. However, the general reticence of the Juncker Commission towards new legislative activity has so far not allowed any progress with the project. Just before the end of the year, two groups of MEPs addressed written questions to Commissioner Bieńkowska, receiving rather evasive answers announcing a discussion on “how to best address the challenges that mutuals seem to encounter when looking to operate cross-border”. This discussion will hopefully start in the second quarter of 2015.

IAIS

AMICE was also actively involved in the discussions about the changes in the IAIS’ stakeholder governance. We urged the IAIS to develop an approach that would enable smaller stakeholders to continue being actively engaged, e.g. by using modern and interactive web-based conference technology, even after the abolishment of observer status and the closing of IAIS Working Group meetings to industry representatives. AMICE closely cooperates on these issues with the other members of GFIA, the Global Federation of Insurance Associations.
Advocacy

Social Economy

The association’s activities in the context of the Social Economy have a promotional and an advocacy angle. At a conference in Strasbourg organised by the European Commission early in the year, AMICE participated with other mutuals’ associations at a stand with the aim of informing the 2,000 participants on the overarching theme of “mutuals4you”. From a different angle, a consultation by the Italian Council Presidency in preparation for a large Social Economy conference in Rome in November provided the opportunity to concretely request full recognition of the value that mutual and cooperative insurance brings to Europe’s citizens, society and economy. At the conference, AMICE was able to present the main arguments and policy proposals of the EMIM.

In October, AMICE also presented the EMIM to the EESC in a conference that led to a recommendations’ paper by the EESC to the institutions: “The Social Economy and social innovation as drivers of competitiveness, growth and social well-being” (see interview below).

The work in Social Economy Europe focused on securing the re-establishment of the Social Economy Intergroup (a group of MEPs who support the social economy sector within the European Parliament) after the EP elections. In early 2015, the Intergroup was established.

Mr Cabra de Luna, how does the Social Economy (SE) figure in the work of the EESC?

It is no coincidence that the two words “social” and “economy” appear in the name of the EESC. We take an active interest in the role of the SE in Europe because we are convinced that the sector produces both economic and social wealth for the European citizens. This has been widely recognised in EESC opinions.

How is this work organised?

First and foremost, through the mainstreaming of SE in the EESC opinions. The EESC is the EU’s main consultative body and we have a concrete impact on EU policy-making. Many of our proposals are taken on board by the Commission and the European Parliament. Secondly, acting as a sort of think-tank by publishing studies or organising conferences. We look at how our sector can contribute to EU policies and at the regulatory gaps impeding the development of our companies on an equal footing with other economic operators. The SE category with its more than 40 members from more than 20 countries acts as the main driver. This geographic and sectoral diversity is our main strength.

In October 2014, the EESC issued a priorities paper on SE to the new Commission and the EP.

Indeed. This is a good example of the role that the EESC wants to play and of the added value we want to provide to EU policy-making. Our main request is that the momentum generated during the last mandate with the Social Business Initiative (SBI) be maintained through an SBI II that promotes the whole SE sector — not only social enterprises. We also expressed our wish that the projects of European Statutes for associations and mutuals be taken forward swiftly.

Mr Cabra de Luna, thank you for this interview.

Social dialogue

While waiting for the approval by the European Commission of the new work programme 2015-2016 for the Insurance Sectoral Social Dialogue which will include a new round of activities on demographic challenges for insurers as employers, the social partners (Insurance Europe, BIPAR and AMICE as well as UNI Europa on behalf of the employees) developed a Joint Declaration on telework which was eventually signed in February 2015. In this declaration, the partners identify relevant factors to be considered in individual or collective telework agreements at national or company level.
Commission III on Assistance

Assisting members, and in particular small and medium-sized insurance undertakings (SMEs), to be successful is AMICE’s third strategic goal; this entails fostering the sharing of experience and best practice among members for example through the organisation of workshops and seminars, but also in the secretariat’s day-to-day contacts with members.

The Commission on Assistance is responsible for organising these activities which in 2014, being a Congress year, included only one larger seminar but a significant number of smaller meetings with the key areas of engagement being CSR, reinsurance, health insurance and Solvency II.

Corporate Social Responsibility

AMICE’s Corporate Social Responsibility (CSR) working group was once again very active in 2014, organising three workshops on topics chosen by members under its new chair since September, Nicoletta Tranquillo.

In March, the working group invited the European Commission official responsible for the EU directive on non-financial disclosure to give a status update and to answer questions from participants on issues of particular concern to them. This led on to an exchange on the national legislation on CSR in the different countries, with particular input from FNMF on French legislation and Reale Mutua (IT) on the challenges of integrated reporting.

The second meeting of the year focussed on CSR and innovation where members learned of each other’s novel projects. Ethias (BE) explained that it had decided to extend its sport insurance to include cardiac accidents, a first in the Belgian market. In general, insurance companies may not feel a responsibility to tackle “societal” problems which are rather in the remit of public authorities. However, Ethias sees itself as a pioneer in Corporate Social Responsibility and therefore wanted to provide full cover. A second example came from FNMF (FR) member CARAC which proposes so-called ‘solidarity savings’ where the first percent of interest on each deposit goes to a partner (helping the disabled or unemployed for example) chosen by the customer from a list provided by the mutual. LähiTapiola (FI) presented its new health helpline whose objective is to shorten the treatment chain in the health care sector since quicker treatment means faster return to work. The aim is to do more than just handle a claim, but in fact to provide an advice call service for all health-related matters for customers with a particular health cover. Social innovation through a business incubator was the ambitious case study presented by Unipol (IT). This annual project aims to create shared value for the company and wider society by bringing together business and society. In 2014, ten start-ups were selected to start a two month incubation during which all their costs are covered, they receive hands-on professional advice, and have meetings with investors, Unipol staff and suppliers. After the two months, the start-ups continue to receive assistance for another four months and Unipol may then decide to invest in the best of them.

In November, MACIF (FR) hosted the working group in Paris and presented a guide which it co-piloted on improving risk management methods in insurance by integrating CSR. The guide aims to address all types of risks under an ESG approach and to understand how this can improve current risk management methods and their associated decision-making processes. Its simple summary sheet format provides practical support for risk managers, operational managers, CSR managers and the Board of Directors. It identifies 12 processes in the governance, insurance technical and support areas within an insurer and then analyses each of these through five steps from the identification of the CSR stakes and risks of the process to the impact if the risks are realised, the actions to control the risks and the follow-up and reporting methods.

In order to extend the role which AMICE can play in assisting members to be successful, the working group developed a template to showcase the case studies presented at CSR meetings, and which can be downloaded from the Member Area of the AMICE website.
Assistance

Reinsurance
Throughout 2014, the Reinsurance working group held regular on-line meetings, mainly to prepare the 6th Meeting of European Mutual and Cooperative Reinsurance Managers to be held in 2015, but also to provide input to ICMIF's biennial MORO in Miami in June.

In November, the members of the group met in Brussels to discuss how national supervisors were likely to consider ADC (Adverse Development Cover), such as retrospective reinsurance, as part of the SCR under the Solvency II standard formula.

Health
One of the areas highlighted in recent member surveys as important for the sector was health insurance, and sessions at the 2012 and 2014 congresses, as well as a symposium at the 2013 General Meeting, were dedicated to the topic.

In September 2014, AMICE's Health working group held its first meeting. Johanna Iveroth, who was seconded to AMICE from her employer Folksam (SE) in spring 2014, presented the report she researched while in Brussels. She compared the social protection systems – healthcare, sickness and invalidity – in five countries: France, Germany, the Netherlands, Spain and Sweden, highlighting some key differences and pointing to some trends. These included:

- a decrease in benefits from the state, although some countries (e.g. Slovakia) instead move towards more state protection which proves that trends are not always universal;
- increased responsibility for private insurance companies because of the withdrawal of state social protection – in some countries this opportunity is given only to mutual insurance companies;
- insurance companies providing health care;
- e-health to reduce costs;
- allowing premiums to change in line with indices which means that prices are more tightly controlled by the supervisors.

Solvency II, time for implementation!
Opening AMICE's Solvency II seminar in Paris on 5 December, Alain Montant, President of hosting mutual MACIF, commented that after more than a decade of preparing for Solvency II, implementation was finally just around the corner.

With 80 experts from 14 countries attending, including many representatives from smaller members, the seminar provided the occasion for AMICE members to discuss their level of preparedness and their experiences, both within their organisations and with their national supervisors. Representatives from EIOPA and from French supervisor ACPR were there to provide further insight and to listen to the industry’s main requests for the next 12 months.

Nicolas Joly of French ACPR and EIOPA underlined the need for harmonious implementation of the guidelines across jurisdictions and between companies. EIOPA's Jarl Kure focussed on the individual nature of the FLAOR (Forward Looking Assessment of Own Risks) as well as the need for supervisors to prepare for change as much as individual companies. Romain Paserot went on to depict the preparations of the APCR for the ORSA.

In a round table discussion, members then exchanged practical solutions to improve their ORSA plans. The first example explored the definition of a documented risk appetite while the second demonstrated a strategic plan to express the ambitions of the undertaking. The third showed how stress tests serve to assess the resilience of the company’s solvency to unexpected events and the subsequent management actions. The final example showed a possible structure for the ORSA report itself.
The third session focussed on Pillar III reporting requirements, with EIOPA’s Ana Teresa Moutinho explaining the reporting templates in detail, and Aitor Azcoaga describing the XBRL Conversion tool. The final session looked at data governance from a Swiss perspective and ended with a round table of experts on data quality.

Participants particularly appreciated the opportunity to hear directly from EIOPA and ACPR, especially on reporting requirements and the ORSA, and to hear from other members about their experience in preparing for the ORSA.

“We, the insurers, have been occupied with Solvency II for ten years now, but implementation has never been so close. The framework implies a lot of changes in the way we do our business. But what will not change is our mutualistic way – putting our member-policyholders at the exclusive focus of what we do. AMICE provides the unique opportunity for us to learn from each other in the implementation process.”

Alain Montarant
President of French mutual MACIF

“We need open dialogue between undertakings and supervisors as well as flexibility from national authorities especially in the interim stage and probably also during the first year of full application.”

Mireille Aubry
Solvency II Standards Officer for Covéa
Opening session

In her opening address, AMICE President Hilde Vernaillen remarked, “With about 200 participants from almost all European countries, this congress is already a success!” She went on to present the European Mutual Insurance Manifesto (see also pp. 4-5) to members and other stakeholders present.

Nice Congress

A venue certainly helps to make an event, so the organisers always knew they were on to a winning streak with the Promenade des Anglais and the French Riviera. But that was not the only reason for the success of the 2014 Congress: a programme of relevant topics, stimulating speakers and enough time for networking also helped.

With the theme “Business – the mutual way”, the programme enabled the sector to show how our business model puts member-policyholders at the centre of our activity and is based on solidarity and proximity.

AMICE’s biennial congress provides the European mutual and cooperative insurance sector with its regular opportunity to discuss some of the major strategic issues affecting mutual insurers in Europe, and to raise the sector’s visibility. Participation is therefore open to non-members: representatives of the EU institutions, other trade associations, civil society groups and other financial institutions are frequent attendees.

Can more regulations better protect the customers?

Chairing the first session, Anu Pylkkänen remarked that “the aim of AMICE and the mutuals it represents is not to oppose rules and regulations, but rather to make sure that smart regulations are introduced in order to achieve overall improvements in quality.” Gabriel Bernardino, President of EIOPA, agreed with this sentiment: “Generally, mutuals have the advantage of being closer to the customer, allowing them to provide more specific and tailored products. Mutuals broaden the choice for a consumer which is an important trend in consumer protection.” Two AMICE members, VVaG eV, the small German mutuals’ association, and French MAIF, provided examples of the application of European legislation and how it could be adapted to serve customers better.

Social security – the mutual sector for better value to society?

Laurence Bovy, Head of Cabinet of the Belgian Minister of social affairs and public health, was the expert speaker for the second session, chaired by Christophe Ollivier. She drew a parallel between the public social protection system and mutuals/cooperatives which share a long-term vision. Practitioners from German and Polish AMICE members explained the role that mutuals do and could play in the provision of health care in their countries.

The mutualist model – the future of free enterprise?

Ann Sommer underlined the growth in the mutual and cooperative sector, compared to the rest of the insurance market, in her introduction to the first session on the second day of the congress as proof of the success of the business model. During his profound address, Professor Riccardo Petrella challenged mutuals to give greater impetus to citizenship in society and to speak out on behalf of humankind in the interest of all.

Two AMICE members, Unipol (IT) and Mutual Médica (ES), presented examples of how their companies were responding to the future needs of society, the first in the area of social innovation, the second in pensions.
Reliable data for customer-focussed solutions?

Professor Boris Otto introduced delegates to the idea that digitisation is not an incremental evolution in many industries, but rather a paradigm shift. He drew attention to the fact that data only has a value if it is of high quality, i.e. consistent, accurate and up-to-date. The main issue for companies is about sustaining competitive advantage by making use of data.

As chair of the fourth session, Jorge Vázquez cited some of the uses insurers make of big data, such as fraud prediction, pay-as-you-drive, weather impact or client value assessment. Following the positive (76%) response from the audience to the question of whether mutuals and cooperatives had a greater responsibility in loss prevention, the Länsförsäkringar (SE) case study showed how analysing claims data around traffic accidents could lead to improved road conditions and fewer claims. The second example, from Achmea (NL), revealed how this mutual group has developed a tool to aggregate collected data in order to drive commercial activities more effectively with the final aim of developing products and services for the customers.

Opening reception

Christian Estrosi, MP and mayor of Nice and President of the Nice Côte d’Azur Metropole area, welcomed AMICE to the French Riviera.

Evaluation

As for all AMICE events, participants were asked to complete an evaluation form at the end of the Congress: this showed an 87.5% overall approval rate with 100% saying they would recommend the Congress to a colleague.

What the delegates said

Louisa Renoux
FNMF | FR

“It is a unique opportunity to meet our European colleagues and exchange views on common subjects, such as the workshop on the financial crisis organised by SCOR.”

Julien Hayen
P&V | BE

“Coming soon after the European elections, this congress is proof of the importance of European developments, in particular for our sector.”

Odilo Bürgy
Swiss Mobiliar | CH

With clear and motivated speakers presenting concrete case studies, and positive messages about our sector such as the launch of the EMIM, the AMICE Congress 2014 was a great success!”

Gala dinner

The gala dinner organised by the French hosting organisations, GEMA, FNMF and ROAM, at the Domaine de Mont Leuze, overlooking the coast, provided the perfect venue for delegates to relax between sessions.
AMICE governance and finance

Governance

AMICE is an international non-profit making association under Belgian law (aisbl/ivzw), founded on 6 December 2007. Its budget is almost exclusively funded by contributions from members. AMICE receives no funding from national or international public institutions.

AMICE’s supreme governing body is the General Meeting. In 2014, the General Meeting was held on 5 June 2014 in Nice, France, at the AMICE Congress.

The President of the association is the Chair of the Board and of the General Meeting. The current President is Hilde Vernaillen of P&V Group (Belgium); she was elected in 2013 for a term of three years.

The Board is responsible for managing the activities of the association and ensuring that the activities are in line with the purpose of the association and the resolutions passed by the General Meeting. As of April 2015, the Board is composed of 22 members from 14 countries (see page 17). The mandate of all Board members ends in 2016.

Financial performance

The association’s financial year 2014 ended with a surplus of EUR 209,899. The Board proposes to the General Meeting to carry the total surplus forward into the year 2015.

AMICE’s auditors, Ernst & Young, have delivered a clean opinion on the accounts for 2014. A full version of the annual accounts and the auditor’s report are made available separately to AMICE members.

A new accounting structure, introduced in parallel with the implementation of the Strategy 2013-2018, allows most of the association’s expenses to be allocated to one of the strategic objectives. This includes staff costs (according to individual time allocation) and costs for premises (according to the use of office rooms). Less than 17% of expenses (including IT costs) were regarded as administrative overheads and distributed proportionally.

<table>
<thead>
<tr>
<th>€ ('000s)</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee income</td>
<td>1,178</td>
<td>1,205</td>
</tr>
<tr>
<td>Other income</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff expenses</td>
<td>- 655</td>
<td>- 778</td>
</tr>
<tr>
<td>Facilities</td>
<td>- 92</td>
<td>- 92</td>
</tr>
<tr>
<td>Office running costs</td>
<td>- 59</td>
<td>- 72</td>
</tr>
<tr>
<td>Travel</td>
<td>- 49</td>
<td>- 63</td>
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<tr>
<td>Events</td>
<td>- 14</td>
<td>- 53</td>
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<tr>
<td>External relations</td>
<td>- 53</td>
<td>- 55</td>
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<tr>
<td>IT</td>
<td>- 18</td>
<td>- 26</td>
</tr>
<tr>
<td>Projects</td>
<td>- 38</td>
<td>- 31</td>
</tr>
<tr>
<td>Other</td>
<td>- 1</td>
<td>- 1</td>
</tr>
<tr>
<td><strong>Ordinary surplus</strong></td>
<td>204</td>
<td>45</td>
</tr>
<tr>
<td><strong>Extraordinary items</strong></td>
<td>+ 6</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total surplus</strong></td>
<td>210</td>
<td>45</td>
</tr>
</tbody>
</table>

Memberships

Following the change in the stakeholder governance of the IAIS (the International Association of Insurance Supervisors), AMICE’s formal observer status has ended. The association maintains, however, close working relations with the IAIS Secretariat. AMICE is one of the three employers’ organisations in the Insurance Sectoral Social Dialogue Committee at EU level, is represented in the European Pensions Forum and an observer toEFRAG. EIOPA’s Insurance and Reinsurance Stakeholder Group includes three representatives from AMICE members plus the former Co-chair of the association’s Solvency II working group.

AMICE is registered on the EU Transparency Register under the number 62503501759-81.
About AMICE

AMICE Board at 1 April 2015

President
Hilde Vernaillen | P&V | BE

Vice-Presidents
Arnaud Chneiweiss | GEMA | FR
Wolfgang Weiler | HUK-Coburg | DE

Treasurer
Róbert Lilli | KÖBE | HU

Members
Grzegorz Buczkowski | TUW SKOK | PL
Frank Diegel | Itzehoer | DE
Patrice Forget | Covéa | FR
Markus Hongler | Swiss Mobiliar | CH
Wim Janssens | Achmea | NL
Luigi Lana | Reale Mutua | IT
Allan Luplau | Sygeforsikringen “danmark” | DK
Hans-Christian Marschler | R+V Versicherung | DE
Pablo Mongelos García | Seguros Lagun Aro | ES
Christophe Ollivier | FNMF | FR
Marisa Parmigiani | Unipol | IT
Richard Rowney | LV= | UK
Patrik Schinzel | Folksam | SE
Ann Sommer | Länsforsäkringar | SE
Jari Sundström | LähiTapiola | FI
Bernard Thiry | Ethias | BE
Jorge Vázquez Morenés | Mutua Madrileña | ES
Dimitrios Zorbas | Syneteristiki | GR

Honorary President (not a member of the Board)
Asmo Kalpala, AMICE President 2007-2013

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Belma Yasharova (as from April 2015)
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Marlen Freire
Administrative Assistant
Tel: +32 2 609 56 40
E-mail: secretariat@amice-eu.org

Johanna Iveroth
on secondment February-May 2014 from Folksam, SE

“…The Board shall represent the diversity, geographical representation and type of activity of the association’s membership.”

Art. 12.1.4 of AMICE’s Articles of Association
About AMICE

Working structure

Commission I - Promotion
Chair: Grzegorz Buczkowski | PL

- Communications working group
  Chair: Julien Hayen | BE

- Promoting Mutual & Cooperative Values working group
  Chair: Christian Herrig | DE

- Associations’ Meetings

Commission II - Advocacy
Chair: Patrik Schinzel | SE

- Accounting working group
  Chair: Fabrice Guenoun | FR
  Catharina Henkow | SE

- Capital Maintenance working group
  Chair: N.N. (to be nominated)

- EMS working group (European Mutual Statute)
  Chair: Renaud Huard | FR

- Regulatory Affairs working group
  Chair: Susanne Sjödin-Svensson | SE

- Solvency II working group
  Chair: Alina vom Bruck | DE

Commission III - Assistance
Chair: Jorge Vázquez Morenés | ES

- CSR working group
  Chair: Nicoletta Tranquillo | IT

- Health working group
  Chair: N.N. (to be nominated)

- Reinsurance working group
  Chair: Vivian Vourdoumpa | GR

Executive Committee

Commission I
Promotion

Communications working group

Promoting Mutual & Cooperative Values working group

Associations’ Meetings

Commission II
Advocacy

Accounting working group

Capital Maintenance working group

EMS working group (European Mutual Statute)

Regulatory Affairs working group

Solvency II working group

Commission III
Assistance

CSR working group

Health working group

Reinsurance working group
About AMICE

Publications

European Mutual Insurance Manifesto (EMIM)
AMICE | 2014
Available in EN, FI, FR & PL (soon in NL)

European Mutual Insurance Manifesto 4-page Summary
AMICE | 2014
Available in DE, EN, ES & FR (soon in NL)

MarketInsight Europe 2012
ICMIF & AMICE | 2014
Available in EN & FR

Facts and Figures 2008
AMICE | 2012
Available in EN

AMICE News
AMICE | quarterly
Available in DE, EN, ES & FR

AMICE Congress News
AMICE | Congress
Available in EN & FR

AMICE briefing
AMICE | twice a month (Members only)
Available in EN

Value of Membership
AMICE | 2012
Available in DE, EN, ES & FR

AMICE Annual Report
AMICE | annually
Available in EN & FR

AMICE Information Sheet on Mutual Insurance
AMICE | 2014
Available in DE, EN, ES & FR
About AMICE

AMICE Members

Austria
Österreichische Hagelversicherung VVaG | TIROLER Versicherung V.a.G. | Vorarlberger Landes-Versicherung V.a.G.

Belgium
AMMA Assurances | AR-CO SCRL | Elini | Emani | Ethias | Fédérale Assurance | Integrale CCA | P&V Assurances SCRL | SECUREX Vie | UAAM (Union des Associations d’Assurances Mutuelles)

Bulgaria
SiVZK (Trade Union Mutual Insurance Co-operation - TUMICO)

Denmark
ALKA | Danske Fiskeres Forsikring G/S | GF Forsikring | Kobstædernes Forsikring | LB Group | Sygeforsikringen “danmark” | Thisted Forsikring | Tryggingarfelagid Foroyar

Finland
Ålands Ömsediga Försäkringsbolag | Fenna Mutual Insurance Company | LähiTapiola Insurance Group

France
Caisse d’Assurance Mutuelle du Bâtiment et des Travaux Publics | Caisse Mutuelle Marnaise d’Assurance (CMMA) | CGPA | Covéa SGAM (MMA, GMF, MAAP) | IMA SA (Inter Mutuelles Assistance) | L’Auxiliaire | L’Etoile | MACIF | MAIF | MATMUT | Mutuelle de Poitiers Assurances | Mutuelle des Architectes Français Assurances (MAF) | Réunion des Mutuelles d’Assurances Régionales (REMA) | SHAM (Société Hospitalière d’Assurances Mutuelles) | Thélem assurances | Union Mutualiste Retraite (UMR) | FNMF (Fédération nationale de la Mutualité Française) | GEMA (Groupement des entreprises mutuelles d’assurances) | ROAM (Réunion des Organisations d’Assurance Mutuelle)

Germany

Greece
Syneristiki Insurance Co.

Hungary
KÖBE

Ireland
ECCU Assurance Co. Ltd | Irish Public Bodies Mutual Insurance Ltd

Italy
ITAS Group | Società Reale Mutua di Assicurazioni | Unipol Gruppo

Luxembourg
BlueRe | Nira

Netherlands
Achmea | EOC onderlinge schepenverzekering U.A. | N.V. Univé Schade | Onderlinge Univé Dichtblij U.A. | OOM Holding NV | Platform Onderlinge Verzekeraars

Poland
TUW SKOK | TUW TUW

Portugal
Mutua dos Pescadores

Senegal
Groupe SONAM Assurances

Slovenia
Vzajemna Mutual Insurance Company

Spain
ASEMAS | FIATC Mutua de Seguros y Reaseguros a Prima fija | MUSAAT Mutua de Seguros a prima fija | MUSSAP Mutua de Seguros y Reaseguros a prima fija | Mutua de Propietarios Mutua de Seguros y Reaseguros a prima fija | Mutua Madrileña Automovilista SSPF | Mutua MMT Seguros Sociedad Mutua de Seguros a prima fija | Mutual Medica De Catalunya i Balears (MPS) | Seguros Lagun Aro S.A.

Sweden
AFA Life | Folksam | Länsförsäkringar

Switzerland
Emmental Versicherung | Mutuelle Vaudoise | Swiss Mobiliar Holding Ltd.

Turkey
Koru Sigorta Kooperatifı

United Kingdom
LV=

Observers
Euresa EEIG | QBE Re (Europe) Ltd Secura Branch | Swiss Reinsurance Company

New members since June 2014
AR-CO SCRL (BE) | ECCU Assurance Co. Ltd (IE) | FIATC Mutua de Seguros y Reaseguros a Prima fija (ES) | Irish Public Bodies Mutual Insurance Ltd (IE) | SiVZK (Trade Union Mutual Insurance Co-operation - TUMICO) (BG)

* AMICE members in italics are national associations.
AMICE membership at 1 April 2015

AMICE represents more than 100 European mutual and cooperative insurers directly and an additional 1,000 indirectly through the membership of six national associations of mutual insurers.

AMICE full membership is open to mutual and cooperative insurers in Europe and their national associations.

Associate membership is open to non-European mutual and cooperative insurers. Other interested parties may request observer status.

AMICE’s membership includes insurers of all sizes (some among the largest European players, others very small) and all lines of business (life, motor, health, agricultural, etc).